

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7026

BILL NUMBER: HB 1097

NOTE PREPARED: Jan 1, 2006

BILL AMENDED:

SUBJECT: Discount Medical Card Programs.

FIRST AUTHOR: Rep. Frizzell

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
FEDERAL

IMPACT: State

Summary of Legislation: This bill provides for registration of discount medical card program organizations. The bill specifies requirements for registration and conduct of a discount medical card program organization.

Effective Date: July 1, 2006.

Explanation of State Expenditures: The Department of Insurance (DOI) would oversee the registration of discount medical programs. Although the number of discount medical program organizations that would require registration is not known, if a significant number apply for registration, the DOI would need an additional COMOT II to implement the program. Total additional staffing costs are estimated at \$37,345, which includes fringe benefits and indirect costs. The source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

The DOI may also adopt rules to implement the program. The DOI should be able to adopt rules given its current level of resources available to the agency.

Explanation of State Revenues: The fee for issuance of a license is \$500, with a \$250 fee for annual renewals. License fees are deposited in the Department of Insurance Fund.

The bill also provides for penalty fees of \$500 per day for the first 10 days for failure to file a timely annual report, with a \$1,000 fine for every day thereafter. Penalty fees would also be deposited in the Department of Insurance Fund.

The DOI may impose a civil penalty of at least \$500 and not more than \$50,000 against a discount medical program that is in violation of the provisions of this bill. Additional revenue would be dependent on the number of civil penalties imposed and the amount of each penalty.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: DOI.

Local Agencies Affected:

Information Sources: Amy Strati, DOI, 232-2404.

Fiscal Analyst: Bernadette Bartlett, 317-232-9586.